



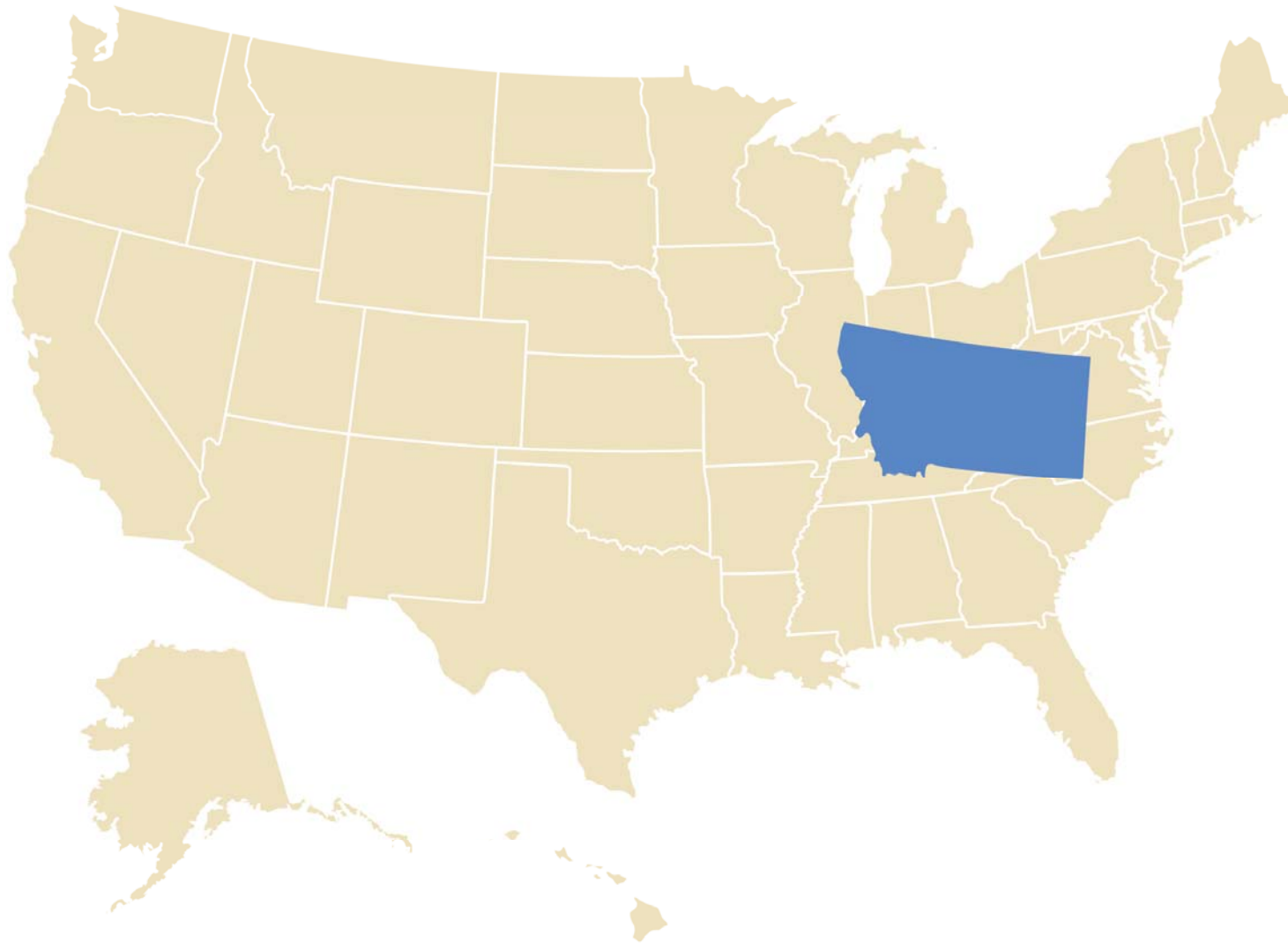
# **HEALTH INFORMATION EXCHANGE OF MONTANA**

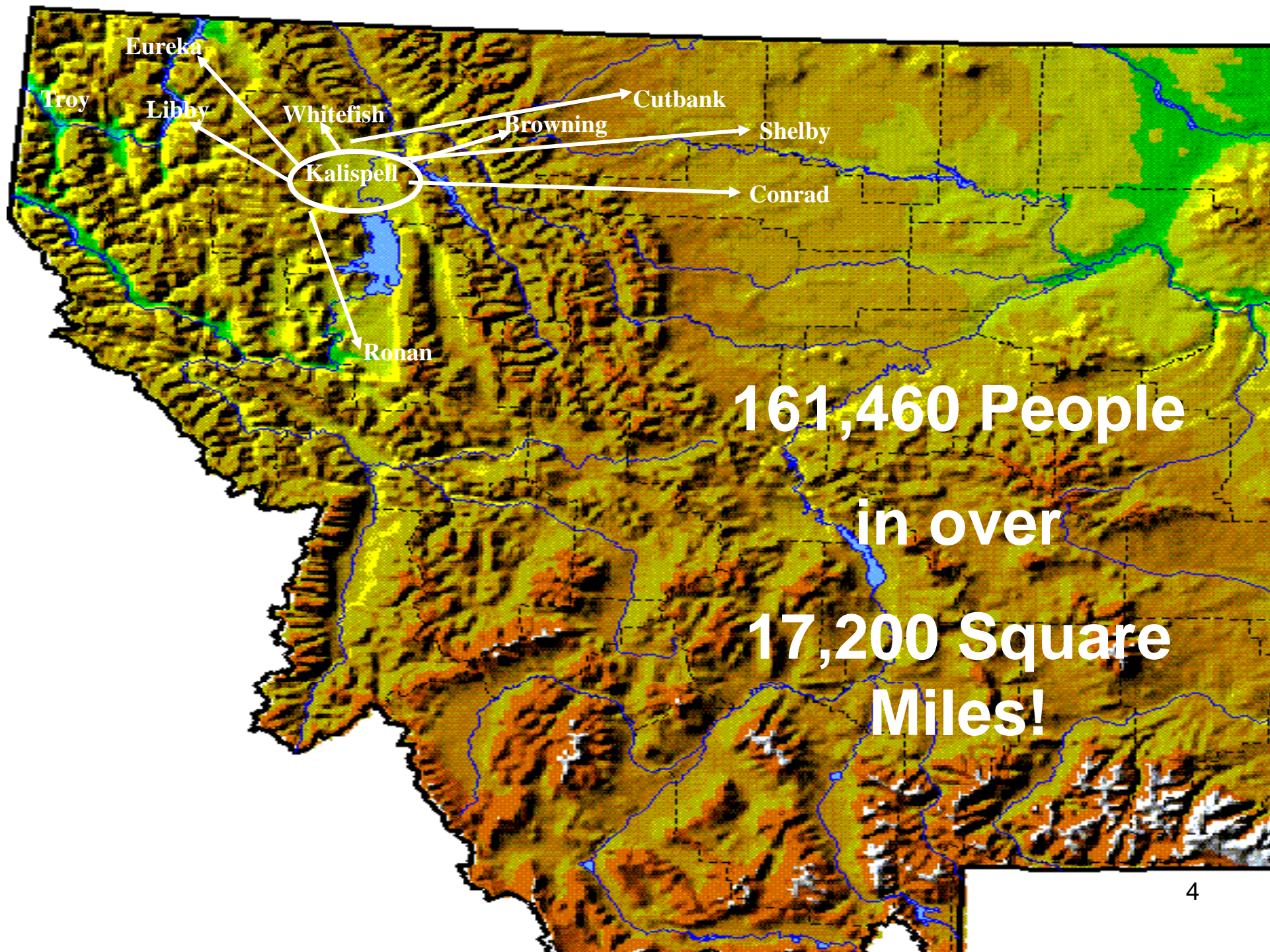
# Health Information Exchange of Montana

- Non-profit Regional Health Information Organization (RHIO)
- Electronic health records, health information exchange, remote digital imaging and telemedicine/telehealth
- 5 hospitals, 2 community health centers and the University of Montana
- RHCPP Awardee; \$26M requested; \$13.6M awarded; 11<sup>th</sup> largest award

# Health Information Exchange of Montana

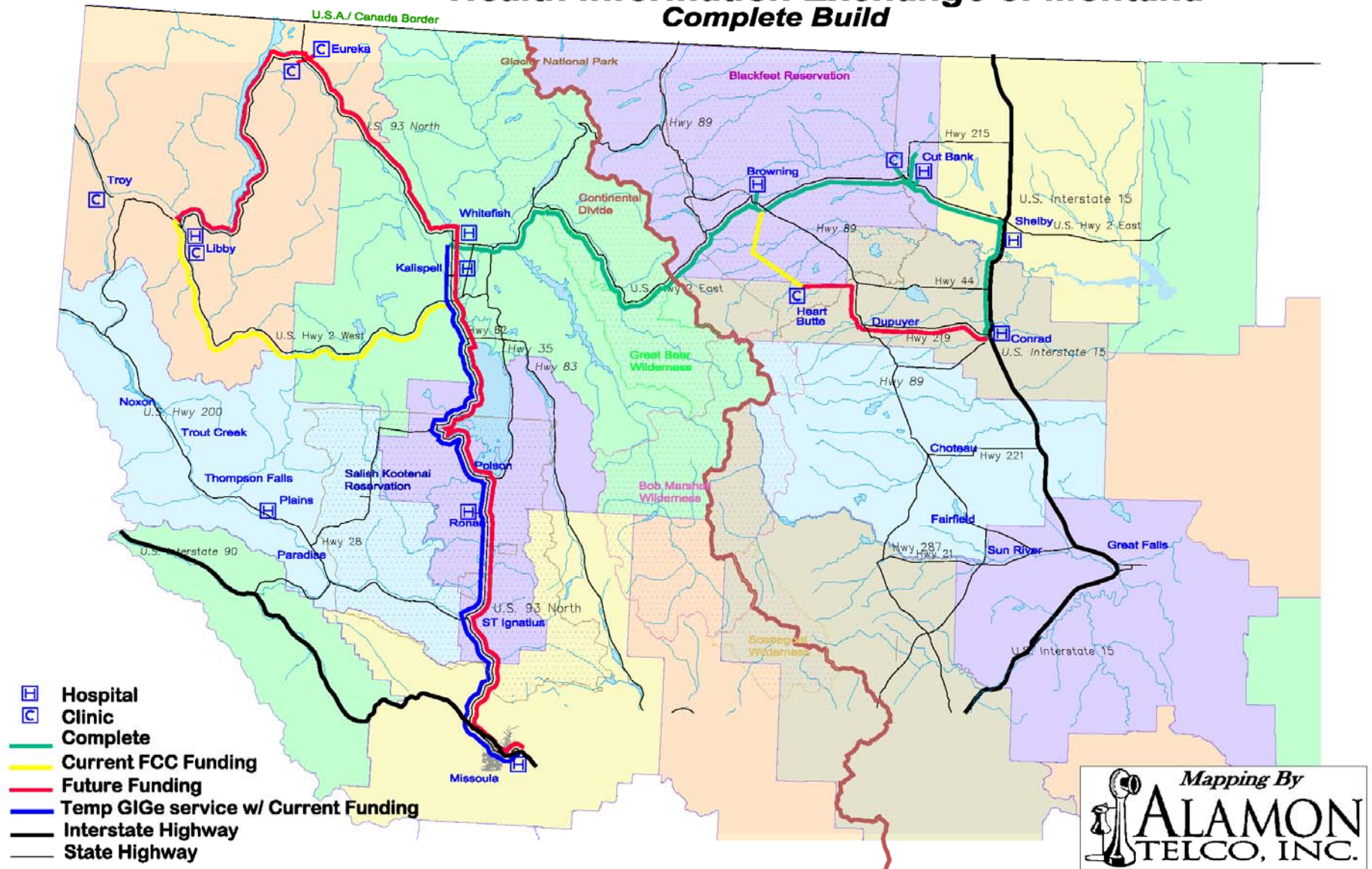
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# Health Information Exchange of Montana Complete Build



# Health Information Exchange of Montana

- **The Green Route**

- 185 miles across Continental Divide; along border of Glacier NP and through Blackfeet Indian Reservation
- BNSF Railway Partnership
- 24 fiber count backbone
- Completion 11/1/10
- RHCPP Cost \$4,445,500
- HIEM Cost \$784,500

# Health Information Exchange of Montana

- **The Green Route**

- Connections to 7 healthcare and healthcare education sites
- Using HIEM excess capacity for bandwidth exchange partnership with non-profit telephone cooperative
- Includes maintenance for 30 years
- Construction complete this fall
- RHCPP Cost \$0
- HIEM Cost \$136,110 + electronics/optonics

# Health Information Exchange of Montana

- **The Yellow Route**

- 90 miles from Kalispell to Libby, MT
- Lincoln County (Libby) is the site of a major Super Fund clean-up and also has the highest unemployment rate in the state (14.3% @ August)
- 24 fiber count aerial route to connect 6 healthcare and healthcare education sites
- Estimated cost \$3.2M
- Developing excess capacity partnership with a telco to provide matching funds and ongoing maintenance



# Health Information Exchange of Montana

- **The Navy Route**

- 130 mile route for temporary leased connections
- RFP currently posted; proposals due 10/28
- Will provide minimum 100 Mb connections to 15 healthcare and healthcare education sites
- Long-term goal is to replace with **Red Route**

# NPRM Comment Highlights

- Excess capacity can provide critical health benefits to rural areas.
- Excess capacity to sustain networks is consistent with the Act.
- Proposals to make building facilities more difficult should be rejected.
- For HIEM, building new facilities proved more cost effective than leasing existing facilities.

## **Excess capacity can provide critical health benefits to rural areas**

- Helps RHC participants sustain networks.
- Helps rural health care entities access broadband at reasonable cost.
- Encourages collaboration with telephone companies and other holders of fiber or broadband assets.
- In some cases, provides redundancies for critical health care applications.

## Excess capacity to sustain networks is consistent with the Act

- Act addresses resale of *carrier provided* services and capacity to a health care provider.

“Telecommunications services and network capacity *provided to a public institutional telecommunications user* under this subsection may not be sold, resold, or otherwise transferred by such user in consideration for money or any other thing of value.”

(Emphasis added.)



## **Excess capacity to sustain networks is consistent with the Act**

- When a HCP owns facilities, no services are provided to it that can be “resold.”
- All excess capacity built into HIEM’s network is paid for solely by HIEM members.
- Eligible uses of excess capacity support HIEM’s sustainability plan.

# Proposals to make it more difficult to build facilities should be rejected

- Including:
  - Burden of proof to demonstrate “need” for new facilities.
  - Six month posting period to demonstrate unavailability.
  - Survey of current carrier capabilities.
  - Use of national broadband map.
- Where did these proposals come from? No record evidence that competitive bidding program is not working.
- *Unnecessary if competitive bidding is properly used.*

# Proposals to make it more difficult to build facilities should be rejected

- Notice of RFP to holders of capacity is sufficient for drawing multiple bidders.
  - Bidding requires all holders of capacity to provide best price.
  - If carrier has fiber and yet it proves less costly to overbuild, then there is evidence of inefficiency; program funds should only be used for efficient projects.
  - The option to build new capacity limits excessive pricing by carriers offering to lease existing capacity (or who may be seeking to overbuild their own facilities using RHC support).

## Objections of telcos

- Telcos claim construction of new fiber undermines their business model.
- In rural Montana, fiber is “unavailable” because it either doesn’t exist or health care providers cannot afford telco prices.
  - If a heavily subsidized telco cannot bid a lease rate that is lower than the cost of constructing network facilities, then that plant is “unavailable.”
  - The competitive bid process effectively makes this determination.



## HIEM's experience with its pilot award is instructive

- HIEM's initial market research on availability of dark fiber established that it would sometimes be less expensive to build than lease.
  - One lease offer for a small portion of its proposed network was nearly \$55,000 per month. That would have exhausted  $\frac{1}{4}$  of HIEM's funds (\$3.3M) in just five years, putting HIEM back where it started.
  - Leased connections are dependent on continuing RHC support - difficult to sustain when 85% pilot subsidy expires.

## **HIEM's experience with its pilot award is instructive**

- In another case, carrier offered a long-term IRU for new fiber they would construct along with vendor-owned excess capacity, even though carrier had fiber in ground.
- Other telcos are working with HIEM to help build fiber links and to use HIEM excess capacity to serve new areas. Win-win that benefits rural communities.
- Building fiber network less complex than many projects HIEM members undertake in the ordinary course. Technical tasks contracted out to experts.

## Other Issues

- In-Kind Matching Support should be permitted.
  - Burden of 15% match has increased in economic downturn.
  - NTIA's BTOP allowed in-kind contributions.
- For eligible entities, once 51 percent of services are eligible, it should be presumed that all services provided are “reasonably related to the provision of health care services or instruction.”

## Other Issues

- “Meaningful use” should not be employed to restrict funding.
  - In HHS context, many or most facilities will not achieve meaningful use by 2016.
  - Rural health care providers have higher hurdle to reach HHS standard.
  - HHS has noted that absence of RHC support could undermine achieving meaningful use.



# Health Information Exchange of Montana

## Concluding Thoughts

- Our success has not been without challenges.
  - Matching funds
  - USAC forms and process
  - Restrictions on healthcare education participation
  - Resistance from some telcos
- However, eliminating a rural healthcare infrastructure program is NOT the answer.